Bilateral relations between Shandong and the Western Cape Provinces are underpinned by several instruments of co-operation dating back from the year 2000. As part of the implementation of the resolutions adopted at the 5th Regional Leaders’ Summit, the visit to Shandong Province led by Minister Van Rensburg was, in essence, a strategy to promote trade and investment opportunities for the South African wine industry in China and to engage with the Shandong political leadership on matters related to opportunities for Chinese companies in the Western Cape.

The delegation comprised of 22 businesspeople mainly from the wine industry and senior government officials from the Provincial Government of the Western Cape. The visit, once again, underscored the goodwill that exists towards South Africa with China. Minister van Rensburg together with senior officials of the Provincial Government of the Western Cape met with several strategic political figures, business and academic institutions. Amongst the list is the Vice Governor of the Shandong Province, Mayor of the Yantai Municipality People’s Government, Shandong Department of Agriculture, Shandong Academy of Agricultural Sciences, Yantai Agricultural Bureau and Yantai Agricultural Science. The delegation also met with the senior management of various well known wine companies in China i.e. Yantai Giselle Wine Company Ltd and Yantai Changyu Pioneer International Limited.

The Shandong Province shares lots of similarities with the Western Cape Province as both have a strong agricultural focus. The Shandong Province’s economy grew by almost 3.9 trillion RMB during the last financial year. This makes Shandong the 3rd largest and fastest growing province in the People’s Republic of China. The province is the lead producer and exporter of agricultural products in China, which was made possible by extensive research into alternative methods of farming and food production. This was also observed during the visits made at various institutions.

Areas of cooperation identified by governments, business and academia include the following:

- Regional Leaders’ Summit (R5) Co-operation – the R5 is a strategic platform to doubling national governance co-operation to identify specific areas of co-operation in response to the growing needs of the population, especially from an economic development perspective.

- Cooperation in the area of good governance - this concept may provide a good platform for healthy competition between the regional governments within the Forum initiative.

- Yantai International Wine Festival and the Food Festival to underline the agricultural component to future bilateral co-operation and used as a platform to promote wine and other products from both provinces.

- Other potential areas of co-operation include aquaculture and vegetable production. Since Shandong Cape Province has started exploiting these, it could learn more from Shandong on these areas. A huge potential for vegetable production is attributed to the growing Chinese population in South Africa. Potential also exist for both provinces to exchange researchers and students.

- In addition, medicinal/ herbal technology to cater for the growing demand of healthy products especially the nutraceutical segment is another possible area of cooperation.

- The Agri Mega Exhibition was also highlighted as another future platform for cooperation as two of the Shandong Province companies have already participated in Agri Mega Week 2011. An invitation from Minister Van Rensburg was well received by the Shandong government as agricultural machinery is also one of their strong points.

There was a great interest shown in the South African wines as the Pavillon was always occupied by Chinese wine importers and the public. This was also observed at the South African Cane Dinner that was attended by more than 100 Chinese wine importing companies. This could have been a result of the wide media coverage that South African wines received from the local newspapers and television during the festival. The delegation was advised that producers and exporters attending the festival should regard the event as an important first step in entering the Chinese market. However, a lot of work will have to be done to position South African wines in the Chinese market which is currently dominated by the French. There are already indications of positive results as two of the companies that participated in the event have received orders from the Chinese importers. A commitment to participate to the festival again in 2013 is supported by most of the wineries that took part in the 2011 event.